What questions are you trying to answer?

FINANCIAL MODELING

LECTURE SUMMARY

Covered in this lecture:

Questions to ask yourself

- Before you start building your model, you should have a very good idea of the overall structure and flow you're creating. In order to do that, you need to know what questions you're trying to answer.
- Examples of questions:
  - What are the key drivers of revenue for my business?
  - Which business model is better?
  - What pricing model should we use?
  - How would revenues look like if we did X vs. Y vs. Z?
  - How quickly do we need to grow in order to hit our profit goals?
- Don't try to answer all of them at the same time, just start with one
- It's up to you to decide what the most important question is, but you have to have it clear in your mind when you start modeling your business

See you next lecture!